GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3045
ANSWERED ON:11.05.2006
LESS GAUGE TANKS OF HPCL
Masood Shri Rasheed;Reddy Shri Suravaram Sudhakar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

to the reply given to Unstarred Question No 1363 dated December 1, 2006 regarding Less Gauge Tanks of HPCL in Delhi and state:

(a) the finding of the Inquiry Committee constituted to inquire the case of low gauge tanks of Hindustan Petroleum Corporation Limited in Delhi;

(b) whether any action has been taken against the officials/persons found guilty in this regard;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) A committee consisting of senior officials of HPCL was appointed in March 2005 to conduct an inquiry to assess all the relevant aspects in the matter, including determination of any lapses/negligence on the part of their officers. The inquiry committee has completed its investigation and submitted its report to the Management in August 2005. The findings of the enquiry committee in brief are as under:

(i) HPCL North Zone office placed order for supply of service station tanks for retail outlets including supply of steel plates by the vendors in confirmation with BIS code IS 10987:1992. The purchase orders mandated that tanks will be tested by 3rd party inspection agencies to be appointed by fabricators from among reputed inspection, agencies.

(ii) It was observed that these 3rd party inspection agencies carried out inspection as per the advice of the vendors covering visual inspection, general workmanship and hydrostatic test etc. However, full code requirement as per IS 10987:1992 specifications which includes checking the thickness of the steel plates was not complied with by the 3rd party inspection agencies.

(iii) The committee also observed that 3rd party inspection agencies failed in ensuring quality and also in reporting quality issues to HPCL and limited their scope as directed by fabricators without taking cognizance of the BIS code 10987:1992 even though HPCL purchase order clearly specified compliance to the BIS code.

(iv) The enquiry committee revealed procedural lapses while stipulating the requirements in the purchase process on the part of officers in their North Zone. However, the report has not established any malafide on the part of any of the officers.

(b) to (d): HPCL North Zone office have deducted Rs 30.76 lakhs from three vendors towards supply of tanks to the regions under North Zone. HPCL have informed that they have introduced following steps to improve monitoring of quality of the tanks supplied by the vendors: -

(i) Instead of the fabricator supplying the steel plates the Corporation would purchase steel plates directly from reputed steel companies. The scope of fabricator would be limited only to the extent of fabrication. Proper controls have been put in position for identification and reconciliation of steel plates supplied by the Corporation to the fabricator. This would completely ensure the quality of steel plates used for the service station tanks.

(ii) Appointment of third party inspection agency by the Corporation and not by the vendors. The scope of inspection by the third parties will be well defined.

(iii) Formatting of Inspection Report developed by the Corporation to ensure that the Inspection Report is as per the detailed format only; and

(iv) Closer scrutiny and monitoring of quality control aspects through random visits of the Corporation`s officers to the premises of the vendors.